

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

SEARS HOLDINGS CORPORATION, *et
al.*,

Debtors.¹

Chapter 11

Case No. 18-23538 (RDD)

(Jointly Administered)

**THIRTY FOURTH MONTHLY FEE STATEMENT OF FTI CONSULTING, INC. FOR
COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT OF
EXPENSES INCURRED AS FINANCIAL ADVISOR TO THE OFFICIAL
COMMITTEE OF UNSECURED CREDITORS FOR THE PERIOD FROM
MAY 1, 2022 THROUGH MAY 31, 2022**

Name of Applicant: FTI Consulting, Inc.

Authorized to provide Professional Services
to: Official Committee of Unsecured Creditors

1 The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); SHC Licensed Business LLC (3718); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (None); SHC Promotions LLC (9626); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); and Sears Brands Management Corporation (5365). The location of the Debtors' corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

Date of Retention: December 19, 2018, *nunc pro tunc* to October 25, 2018

Period for which compensation and reimbursement is sought: May 1, 2022 through May 31, 2022

Monthly Fees Incurred: \$18,788.50

Monthly Expenses Incurred: \$0.00

Total Fees and Expenses: \$18,788.50

This is a: X monthly ____ interim ____ final application

This statement (the “**Fee Statement**”) of FTI Consulting, Inc. (together with its wholly owned subsidiaries and independent contractors, “**FTI**”) as financial advisor to the Official Committee of Unsecured Creditors of Sears Holdings Corporation, *et al.* (the “**Committee**”) is submitted in accordance with the *Order Authorizing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals* [ECF No.796] entered on November 16, 2018, (the “**Order**”). In support of this Fee Statement, FTI respectfully states as follows.

1. The fees and expenses for the period from May 1, 2022 through and including May 31, 2022 (the “**Thirty Fourth Fee Period**”) amount to:

Professional Fees	\$18,788.50
Expenses	<u>0.00</u>
TOTAL	<u>\$18,788.50</u>

2. In accordance with the Order, if no timely and proper objection is made by a party-in-interest within fifteen (15) days after service of this Fee Statement, the Debtors are authorized to pay 80% of professional fees and 100% of out-of-pocket expenses. These amounts are presented below.

Professional Fees at 80%	\$15,030.80
Expenses at 100%	<u>0.00</u>
TOTAL	<u>\$15,030.80</u>

3. The professionals providing services, hourly billing rates, the aggregate hours worked by each professional, and the aggregate hourly fees for each professional during the Thirty Fourth Fee Period are set forth on the schedule annexed hereto as **Exhibit “A.”**

4. A summary of aggregate hours worked and aggregate hourly fees for each task code during the Thirty Fourth Fee Period is set forth on the schedule annexed hereto as **Exhibit “B.”**

5. Detailed time entry by task code during the Thirty Fourth Fee Period is set forth on the schedule annexed hereto as **Exhibit “C.”**

6. A summary of expenses incurred during the Thirty Fourth Fee Period is set forth on the schedule annexed hereto as **Exhibit “D.”**

7. Detailed breakdown of the expenses incurred during the Thirty Fourth Fee Period is set forth on the schedule annexed hereto as **Exhibit “E.”**

8. FTI reserves the right to request, in subsequent fee statements and applications, any fees and reimbursement of any additional expenses incurred during the Thirty Fourth Fee Period, as such fees and expenses may not have been captured to date in FTI’s billing system.

NOTICE AND OBJECTION PROCEDURES

9. Notice of this Fee Statement shall be given by hand or overnight delivery or email where available upon (i) Sears Holdings Corporation, 3333 Beverly Road, Hoffman Estates, Illinois 60179, Attention: Mohsin Y. Meghji (email: mmeghji@miiipartners.com); (ii) counsel to the Debtors, Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, NY 10153, Attention: Ray C. Schrock (email: ray.schrock@weil.com), Jacqueline Marcus (email: jacqueline.marcus@weil.com), Garrett A. Fail (email: garrett.fail@weil.com), and Sunny Singh (email: sunny.singh@weil.com); (iii) William K. Harrington, the United States Trustee, U.S. Federal Office Building, 201 Varick Street, Suite 1006, New York, NY 10014, Attention: Paul Schwartzberg (e-mail: paul.schwartzberg@usdoj.gov) and Richard Morrissey (e-mail: richard.morrissey@usdoj.gov); and (iv) counsel to Bank of America, N.A., Skadden, Arps, Slate, Meagher & Flom LLP, 4 Times Square, New York, NY 10036, Attention: Paul D. Leake (email: paul.leake@skadden.com), Shana A. Elberg (email: shana.elberg@skadden.com) and George R. Howard (email: george.howard@skadden.com); (v) Paul E. Harner, fee examiner, 1675 Broadway, New York, NY 10019 (email: harnerp@ballardspahr.com); and (vi) counsel to the fee examiner, Ballard Spahr LLP, 1675 Broadway, New York, NY 10019, Attention: Vincent J. Marriott (email: marriott@ballardspahr.com) and Tobey M. Daluz (email: daluzt@ballardspahr.com) (collectively, the “Notice Parties”).

10. Objections to this Fee Statement, if any, must be filed with the Court and served upon the Notice Parties so as to be received no later than July 21, 2022 (the “Objection Deadline”), setting forth the nature of the objection and the amount of fees or expenses at issue (an “Objection”).

11. If no objections to this Fee Statement are filed and served as set forth above, the Debtors shall promptly pay eighty percent (80%) of the fees and one hundred percent (100%) of the expenses identified herein.

12. If an objection to this Fee Statement is received on or before the Objection Deadline, the Debtors shall withhold payment of that portion of this Fee Statement to which the objection is directed and promptly pay the remainder of the fees and disbursements in the percentages set forth above. To the extent such an objection is not resolved, it shall be preserved and scheduled for consideration at the next interim fee application hearing to be heard by the Court.

Dated: New York, New York
July 6, 2022

FTI CONSULTING, INC.
Financial Advisors to the Official Committee of
Unsecured Creditors of Sears Holdings Corporation

By: /s/ Matthew Diaz
Matthew Diaz, Senior Managing Director
1166 Avenue of the Americas, 15th Floor
New York, New York 10036
Telephone: (212) 499-3611
Email: matt.diaz@fticonsulting.com

EXHIBIT A

SEARS HOLDINGS CORPORATION, et al. - CASE NO. 18-23538
SUMMARY OF HOURS BY PROFESSIONAL
FOR THE PERIOD MAY 1, 2022 TO MAY 31, 2022

Professional	Position	Specialty	Billing Rate	Total Hours	Total Fees
Star, Samuel	Sr Managing Dir	Restructuring	1,200	0.1	\$ 120.00
Diaz, Matthew	Sr Managing Dir	Restructuring	1,200	5.4	6,480.00
Nelson, Cynthia A	Sr Managing Dir	Restructuring	1,150	0.3	345.00
Eisler, Marshall	Managing Dir	Restructuring	930	2.9	2,697.00
Shapiro, Jill	Sr Consultant	Restructuring	655	5.5	3,602.50
Lampert, Grace	Consultant	Restructuring	440	12.6	5,544.00
TOTAL				26.8	\$ 18,788.50

EXHIBIT B**SEARS HOLDINGS CORPORATION, et al. - CASE NO. 18-23538**
SUMMARY OF HOURS BY TASK
FOR THE PERIOD MAY 1, 2022 TO MAY 31, 2022

Task Code	Task Description	Total Hours	Total Fees
3	Financing Matters (DIP, Exit, Other)	4.8	\$ 2,112.00
5	Real Estate Issues	0.3	345.00
17	Wind Down Monitoring	0.8	524.00
18	Potential Avoidance Actions & Litigation	19.4	14,389.00
24	Preparation of Fee Application	1.5	1,418.50
TOTAL		26.8	\$18,788.50

EXHIBIT C**SEARS HOLDINGS CORPORATION, et al. - CASE NO. 18-23538****DETAIL OF TIME ENTRIES****FOR THE PERIOD MAY 1, 2022 TO MAY 31, 2022**

Task Category	Date	Professional	Hours	Activity
3	5/3/2022	Lampert, Grace	2.1	Review litigation financing analysis.
3	5/9/2022	Lampert, Grace	1.9	Review litigation funding model.
3	5/24/2022	Lampert, Grace	0.8	Review litigation financing motion and funding model.
3 Total			4.8	
5	5/19/2022	Nelson, Cynthia A	0.3	Review proposed sale of real property recommended by Trust.
5 Total			0.3	
17	5/2/2022	Shapiro, Jill	0.3	Participate on call with M-III re: latest status report.
17	5/2/2022	Shapiro, Jill	0.5	Update team re: information from M-III re: status report.
17 Total			0.8	
18	5/1/2022	Eisler, Marshall	2.9	Develop and review report in connection with mediation.
18	5/2/2022	Shapiro, Jill	0.4	Prepare slides for mediators.
18	5/2/2022	Shapiro, Jill	0.3	Participate on call with Akin re: mediator information.
18	5/2/2022	Shapiro, Jill	2.8	Review slides for mediators.
18	5/2/2022	Diaz, Matthew	0.3	Participate in call with Counsel to discuss open items with the mediator.
18	5/2/2022	Diaz, Matthew	1.5	Review the analysis prepared for the mediators.
18	5/2/2022	Lampert, Grace	2.7	Process changes to report in connection with mediation session.
18	5/2/2022	Lampert, Grace	3.6	Update report for the mediator session.
18	5/3/2022	Shapiro, Jill	0.5	Participate in mediation session.
18	5/3/2022	Diaz, Matthew	0.5	Participate in mediation session.
18	5/3/2022	Diaz, Matthew	0.8	Final review of the Sears mediation presentation.
18	5/3/2022	Lampert, Grace	0.5	Participate in mediation session.
18	5/3/2022	Diaz, Matthew	0.6	Research and review various due diligence questions from Akin.
18	5/10/2022	Lampert, Grace	1.0	Review Debtors' 5/9 Presentation to Mediators.
18	5/10/2022	Diaz, Matthew	0.9	Review the Debtors' presentation to the mediators.
18	5/25/2022	Star, Samuel	0.1	Review status of mediation.
18 Total			19.4	
24	5/4/2022	Shapiro, Jill	0.5	Prepare March fee statement.
24	5/5/2022	Diaz, Matthew	0.5	Review the March bill.
24	5/20/2022	Diaz, Matthew	0.3	Review the proposed interim fee application order.
24	5/20/2022	Shapiro, Jill	0.2	Review draft interim compensation order.
24 Total			1.5	
Grand Total				26.8

EXHIBIT D

SEARS HOLDINGS CORPORATION, et al. - CASE NO. 18-23538
SUMMARY OF EXPENSES
FOR THE PERIOD MAY 1, 2022 TO MAY 31, 2022

Expense Type	Amount
Not Applicable in this month.	

EXHIBIT E**SEARS HOLDINGS CORPORATION, et al. - CASE NO. 18-23538**
EXPENSE DETAIL
FOR THE PERIOD MAY 1, 2022 TO MAY 31, 2022

Date	Professional	Expense Type	Expense Detail	Amount
Not Applicable in this month.				